

**565.0000 LEGAL ENTITIES**

*See Change in Ownership*

565.0010 **Business Organization.** Arrangements whereby property is conveyed to an individual or individuals in accordance with an instrument that provides that the property is to be held and managed for the benefit of the transferor(s) or their assign(s) as may from time to time be holder(s) of transferable certificate(s) issued by the transferee(s) are denominated in law as Massachusetts Trusts. These organizations should be treated as trusts if the transferee(s) has/have control in the management of the property or as a partnership(s) if the certificate holder(s) and the transferee(s) are associated in the control of the property with the latter acting only as a managing agent(s).

Whether a Massachusetts Trust is a trust or a partnership, it is a legal entity just as is a corporation or a partnership. A transfer of real property to the entity may be excluded from change in ownership if the transfer results only in a change in the manner of holding title. Additionally, since a Massachusetts Trust is a legal entity, transfers of certificates result in changes in ownership only when there is a change in control. Transfers of property from the entity to children or parents of certificate holders and transfer(s) of certificates between children and parents are not within the parent/child exclusion contained in Revenue and Taxation Code section 63.1. C 5/3/94.